

**REMARKS**

The above amendments and following remarks are responsive to the points raised in the non-final Office Action dated September 30, 2002. By this Amendment, claims 1, 16, 30, 37-40, 43-44, 46-47, 50-51, 53-56, 64-65, 74-78, 82, and 85 will have been amended, and claims 92-98 have been added. Entry and consideration of this Amendment are respectfully requested.

**Response to Claim Objections**

Claims 75-77 are objected to for several minor informalities. Specifically, the claims incorrectly recite dependency on claim 66. Accordingly, Applicants have herein amended the above claims to overcome the objections by the Examiner.

**Response to Rejections Under 35 U.S.C. 112, Second paragraph**

In the Office Action, claim 53 is rejected as being indefinite for failing to particularly point out and distinctly claim the subject matter, which the Applicants regard as the invention. Specifically, claim 53 at line 2 recites "the compensation value," which lacks sufficient antecedent basis. Accordingly, Applicants herein have amended claim 53 as suggested by the Examiner. Thus, the rejection to claim 53 should be overcome without further comment.

**Response to Rejections Under 35 U.S.C. 102(e)**

Claims 1-10, 12-15, 30-39, 44-59, 64-65 and 82-91 are rejected as being anticipated by Angles et al. (U.S. Pat. No. 5,933,811, hereafter Angles). Additionally, claims 74-75, 78 and 79 are rejected as being anticipated by Gerszberg et al. (U.S. Pat. No. 6,044, 403, hereafter Gerszberg).

**Claims 1-10, 12-15, 30-39, 44-59, 64-65 and 82-91**

As amended, the present invention as defined by claims 1, 30, 38, 44, 46, 64 and 85 is directed to a system, method and computer software code for using client impressions of content and a revenue pool of a plurality of advertisers to calculate and distribute content provider revenues.

As set forth in these claims, the present system tracks the client content impressions and activities associated with content in order to determine compensation to content providers based on a revenue pool of a plurality of advertisers. As such, the system need not track or otherwise tabulate advertisement impressions or activity to calculate advertising revenue generated or compensation due to either content providers or users. The content provider revenues paid to a content provider are based on an algorithmic ratio of a revenue pool divided by the number of client impressions of content. The revenue pool may have a number of ad spots offered to advertisers wishing to advertise for a certain period of time. As such, at the end of the advertising period, the number of impressions that have been tallied for each of the content providers may be used to determine the revenue that gets sent to each particular provider.

To this end, each of the content providers obtain revenue for distributing their content in accordance with the client impression activity limited by the revenue in the revenue pool. One advantage of using this approach is that it helps advertisers achieve a greater focus on their advertisements to those clients/consumers that would be predisposed to view their ads without having to specifically track activity by measuring client impressions or interactions on advertisements. Another advantage is that advertisers will be able to determine the cost of advertising during a period before the period begins.

Angles is directed to a system and method for delivering customized electronic advertisements in an interactive communication system. Using the system in Angles, whenever a consumer directs one of the consumer computers to access an offering existing in one of the content provider computers, an advertising request is sent to the advertising provider computer. The advertisement provider computer credits a consumer account, a content provider account and an Internet provider account each time a consumer views a custom advertisement. More specifically, Col. 16, lines 1-34 of Angles discloses an accounting database that maintains records of what advertisements are viewed by a consumer and then bills advertisers based on the delivery of advertisements. Advertisers are billed based on how often a targeted demographic views the advertisement and content providers are paid based on the volume of advertisements actually displayed by the content provider computer.

However, Angles fails to disclose that the revenues paid to the content providers are based on a revenue pool of a plurality of advertisers, sponsors or other revenue sources.

Moreover, Angles discloses that advertisers are still required to track client activity in relation to an advertisement, i.e., logging the number of times a client has accessed an advertisement.

Accordingly, claims 1, 30, 38, 44, 46, 64 and 85 are distinguishable over Angles at least for the reasons noted above. Likewise, claims 2-10, 12-15, 31-37, 39, 45, 65 and 86-91 are also distinguishable over Angles based on their dependency on claim 1, 30, 38, 44, 46, 64 and 85, respectively.

Additionally, as amended, claims 47 and 51 recite that the system and method of the present invention is configured to associate all content from a plurality of content providers to a functional host, which is another feature not disclosed by Angles.

Claim 55, as amended, recites that a host is transmitted to a client and embedded, which is yet another feature not disclosed by Angles. Accordingly, claims 47, 51 and 55 are now distinguishable over Angles. Likewise, claims 48-50, 52-54 and 56-59 are distinguishable over Angles based on their dependency from claims 47, 51 and 55, respectively.

**Claims 74, 75, 78 and 79**

As amended, the present invention as recited in claims 74, and 78 is directed to a system and method that transmits a host from a sponsor to a client on a network, wherein the host has a face value, and can be exchanged with other clients on the network.

For example, if one user receives a coupon host from an advertiser for 10% off any DVD player but already owns too many DVDs, the user may exchange the coupon hosts with

another client member possessing a different coupon host from another advertiser on the network.

Gerszberg is directed to architecture for supporting the increased services. At Col. 12, lines 18-48 Gerszberg discloses a service of providing electronic coupons. The electronic coupons are displayed on a touch screen at appropriate times throughout the day as a screen saver. By swiping a smart card, customers can electronically collect the coupons and use them at a store using the smart card.

However, Gerszberg fails to disclose a service related to the exchange of coupons between users on a network. Moreover, because the coupon must first be stored onto an electronic smart card, the exchange of coupons is not possible.

Accordingly, claims 74 and 78 are now distinguishable over Gerszberg. Likewise, claims 75 and 79 are also distinguishable over Gerszberg based on their dependency from claims 74 and 78, respectively.

**Claims 37, 39, 50, 54, 56 and 65**

Applicants have amended the above dependent claims to further distinguish the present invention from Angles. Accordingly, the above claims are believed to be allowable on their own merit. As amended, the above claims are directed to a system and method that counts the client impressions to include: 1) delivery of a content page; 2) printing a content page; 3) saving a content page; and 4) transmitting a content page.

Angles at Col. 16, lines 1-34 disclose only that "advertisement providers can pay the content provider based on the volume of advertisements actually displayed by the content

provider computer.” Thus, at best, the only type of client impressions counted in Angles are delivery and transmission of advertisements. Angles fails to disclose the client content impressions of delivery, transmitting, saving and printing, as recited in the above claims.

Moreover, the above claims are distinguishable over Angles for at least one additional reason. A close reading of Angles reveals that ads are tracked, wherein the present invention tracks content and user activity on that content.

Accordingly, claims 37, 39, 50, 54, 56 and 65 are distinguishable over Angles for these additional reasons.

**Response to Rejections Under 35 U.S.C. 103(a)**

Claims 16-29, 40-43, 57-63 and 66-73 are rejected as being unpatentable over Angles in view of Logan et al. (U.S. Pat. No. 5,721,827, hereafter Logan). Claims 76-77 and 80-81 are rejected under as being unpatentable over Gerszberg et al.(U.S. Pat. No. 6,044,403, hereafter Gerszberg). Claim 11 is rejected as being unpatentable over Angles. Claims 16-29, 40-43, 57-63 and 66-73 are rejected as being unpatentable over Angles in view of Logan. Finally, claims 76-77 and 80-81 are rejected as being unpatentable over Gerszberg. Accordingly, Applicants propose the following amendments and arguments for overcoming the above rejections.

**Claims 16-29**

As amended, claim 16 is directed to a method of subdividing advertising content from a plurality of advertisers according to a user profile, known content provider topics or a combination of the profiles and topics, organizing each of the subdivided advertising content into an advertising wheel and transmitting the advertisements in the wheel to the functional host.

In the Office action, the Examiner relies on Angles for teaching the claimed method of subdividing of advertisements. However, Applicants respectfully submit that Angles fails to teach or suggest "grouping of advertisements according to topic, user profiles or other criteria" based on a plurality of advertisers, as recited in claim 16 as amended. Moreover, the present invention as defined by claim 16 utilizes a functional software host to allow for server-side recognition of a specific client to create a user profile, select specific advertising and otherwise subdivide advertising content.

Accordingly, even if one of ordinary skill in the art were to combine the teachings of Angles and Logan, the combination still would not possess all the limitations as recited in claim 16. Claim 16 is therefore distinguishable over Angles in view of Logan. Likewise, claims 17-29 are also distinguishable over Angles based on their dependency from claim 16.

**Claims 40-43, 57-63**

As amended, claims 40, 43 and 55 are directed to a system and method for displaying each Internet advertisement on an advertisement wheel to a user through a client-side software intelligent host transmitted to the client from a central server. The host may be embedded, for example, in an electronic page served to the client or "free floating" over the page. Each user can utilize the client-side software host to create a user profile, select specific advertising or otherwise distinguish advertising for each specific user. Once the user has distinguished him or herself to the central host server, the host server creates an advertisement "wheel" specifically for that user, transmitting one or more advertisements to each electronic page in a sequential fashion

from Ad 1 to say, Ad 100. When the total number of advertisements have been sequentially transmitted to the client-side host, the advertisement “wheel” begins again at Ad 1.

In the Office Action, the Examiner relies on Logan for “organizing a plurality of advertisements into a queue and transmitting the plurality in succession” to a user. However, at Col. 9, lines 57-63 Logan discloses presenting a list of advertising organized by advertiser and subject. The user can use the list to select additional advertising from the list while suppressing others. However, Logan requires the use of a “player” in the form of a computer and other hardware components or equipment as an integral part of its system and methodology of downloading programming and advertising from a host server. To this end, Logan fails to teach or suggest transmitting and embedding a functional host, as recited in claims 40, 43 and 55. Accordingly, even if one of ordinary skill in art were to combine the teachings of Angles and Logan, the combination still would not possess all the limitations recited in claims 40, 43 and 55, as amended. Accordingly, claims 40, 43 and 55 are distinguishable over Angles in view of Logan. Likewise, claims 42, 57-63 are also distinguishable over Angles in view of Logan based on their dependency from claim 40, 43 and 55, respectively.

**Claims 11, 66-73**

As amended, the present invention as recited in claims 1 and 64 is directed to a system and method for using client impressions of content and a revenue pool of a plurality of advertisers to calculate and distribute content provider revenues.

More specifically, the content provider revenues paid to a content provider are based on an algorithmic ratio of a revenue pool divided by the number and type of client



impressions of content. For example, each type of client impression – reading, saving, printing, transmitting to a friend, etc. – can be ‘weighted’ or given a different value to be used in determining the number of content impressions for each unit of content provided. The revenue pool may have a number of ad or sponsorship spots offered to advertisers wishing to advertise for a certain period of time and therefore the revenue pool can be calculated at the beginning of the period. At the end of the advertising period, the number of impressions that have been tallied for each of the content providers may then be used to determine the revenue that gets sent to each particular provider.

To this end, each of the content providers obtain revenue for providing their content based on the client activity or impressions on that content limited by the revenue determined to be in the revenue pool.

In the Office Action, the Examiner relies on Angles for disclosing the claimed payment of revenue to content providers. More specifically, Angles is directed to a system and method for delivering customized electronic advertisements in an interactive communication system. Col. 16, lines 1-34 of Angles discloses an accounting database that maintains records of what advertisements are viewed by a consumer and then bills an advertiser based on the delivery of some number of advertisements. The amount of the bill is based on how often a targeted demographic views the advertisement.

However, Angles fails to disclose that the revenue paid to the content provides is based on a revenue pool of a plurality of advertisers. Further, Angles tracks advertisement impressions to determine the amount of revenue paid to a content provider, whereas the

present invention tabulates content impressions and then calculates the amount of revenue earned by a content provider by utilizing an algorithmic formula based on the number and type of content impressions divided by the total content impressions and then multiplied by the determined revenue pool. Moreover, Angles discloses that advertisers are still required to track client activity in relation to an advertisement, i.e., logging the number of times a client has accessed a advertisement, the amount of revenue to be paid is a function of the number of advertisement impressions.

Accordingly, even if one of ordinary skill in the art were to combine the teaching of Angles and Logan, the combination still would not possess all the features recited in claims 1 and 64, as amended. Likewise, claims 11, 66-73 are distinguishable over Angles in view of Logan based on their dependency from claims 1 and 64, respectively.

**Claims 76, 77, 80 and 81**

As amended, the present invention as recited in claims 74, and 78 is directed to a system and method that transmits a host from a sponsor to a client on a network, wherein the host has a face value, and can be exchanged with other clients on the network.

In the Office Action, the Examiner relies on Gerszberg for teaching the claimed coupon function of the present invention. However, Gerszberg is directed to architecture for supporting the increased services. At Col. 12, lines 18-48 Gerszberg discloses a service of providing electronic coupons. The electronic coupons are displayed on a touch screen at appropriate times throughout the day as a screen saver. By swiping their smart card customers can electronically collect the coupons and use them at a store using the smart card.

The touch screen and smart card are integral components of the system presented in Gerszberg.

However, Gerszberg fails to teach or suggest a service related to the exchange of coupons between users on a network. Moreover, because the coupon must first be stored onto an electronic smart card, the exchange of coupons is not be possible.

Accordingly, claims 74 and 78 are believed to be distinguishable over Gerszberg for at least the reasons noted above. Likewise, claims 76, 76, 77, 80 and 81 are also believed to be distinguishable over Gerszberg based on their dependency on claims 74 and 78, respectively.

**CONCLUSION:**

In view of the foregoing, Applicants respectfully submit that all of the pending claims are patentable over the prior art of record, and are now in condition for allowance.

**AUTHORIZATION:**

A Petition for a three-months extension and the requisite fees accompany this paper. Two checks are enclosed for covering the fees for a three month of extension and addition of seven extra claims respectively. The Commissioner is hereby authorized to charge any additional fees which may be required for this amendment, or credit any overpayment to Deposit Account 13-4503, Order No. 3835-4002.

Respectfully submitted,  
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

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Group Art 3622

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For: ADVERTISING, COMPENSATION AND SERVICE HOST APPARATUS,  
METHOD AND SYSTEM

**ATTACHMENT SHOWING MARKUP OF CHANGES**

Commissioner Of Patents  
Washington, D.C. 20231

Sir:

Please note the following amendments made to claims 1, 16, 30, 37-39, 40, 43-44, 46-47, 50-51, 53-56, 64-65, 74-78, 82, and 85:

--1. (Amended) A method comprising:

- A1
- a) transmitting a functional host with client control features to a client requesting content data;
  - b) transmitting at least one content page from at least one content provider, along with the functional host, to the client;
  - c) receiving client impressions related to the at least one content page through the functional host; and
  - d) calculating content provider revenue that is comprised of a revenue pool of a plurality of advertisers, sponsors or other revenue sources divided by the total number of client

A1  
Cont'd

impressions counted on the at least one content page from at least one content provider.

16. (Amended) A method comprising:

- A2
- a) assigning and transmitting a functional host to a client;
  - b) subdividing advertising content of a plurality of advertisers according to user profiles, known content provider topics, or a combination of said profiles and topics;
  - c) organizing each one of a plurality of subdivided advertising content into an advertising wheel; and [assigning a functional host to a client; and]
  - d) transmitting a plurality of advertisements in the advertising wheel in succession to the functional host.

30. (Amended) A method comprising:

- A3
- a) transmitting content from a plurality of content providers to a client;
  - b) receiving client impressions of the content distributed by the plurality of content providers; [and]
  - c) determining the revenue pool of a plurality of advertisers, sponsors or other revenue sources; and
  - d)[c)] distributing revenue from [a] the revenue pool, wherein each content provider's share would be equal to the revenue pool divided by the total number of impressions received for each content provider.

37. (Amended) The method of claim 30, wherein the counting of client impressions include actions where the client: (1) is delivered a content page from a content provider, (2) prints a content page from a content provider, (3) saves a content page from a content provider, [or] and (4) transmits a content page from a content provider.

38. (Amended) A system for providing advertiser-sponsored content in a global content center comprising:

- Art
- a) means for pooling revenue from a plurality of advertisers, sponsors or other revenue sources;
  - b) means for associating advertisements with a client profile, content page and/or content location in the global content center;
  - c) means for serving associated advertisements to a client host;
  - d) means for counting client impressions of content on the global content center; and
  - e) means for distributing revenue from the revenue pool to content providers depending on the number of client impressions counted for each content provider.

39. (Amended) The system of claim 38, wherein an impression is counted when a client: (1) is delivered a content page; (2) prints a content page; (3) saves a content page; and[/or] (4) transmits a content page.

40. (Amended) A system for delivering host-based advertising comprising:

- a) means for transmitting a functional host with a sponsor and control features to a client;

- AH Cont'd
- b) means for embedding the functional host;
  - c) means for associating a client preference with [a] the functional host;
  - d) means for subdividing advertising content according to the functional host;
  - e) means for organizing each one of a plurality of subdivided advertising content into an advertising wheel;
  - f) means for automatically displaying [serving] each advertisement in the advertising wheel in succession to the client according to the host.

43. (Amended) A system for advertiser-sponsored content, comprising:

- A5
- a) means for transmitting a functional host with a sponsor and control features to a client;
  - b) means for embedding the functional host;
  - c) means for subdividing advertising content according to [a] the functional host, content page, or to a known content provider topic;
  - d) means for organizing each one of a plurality of subdivided advertising content into an advertising wheel;
  - e) means for displaying [serving] each advertisement in the advertising wheel in succession to a client; and
  - f) means for compensating content providers through the amount of client impressions collected.

44. (Amended) Computer executable software code stored on a computer readable medium, comprising:



- A5  
Contd
- a) code to determine the number of client impressions on a content provider's content;
  - b) code to access a advertiser-generated revenue pool of a plurality of advertisers, sponsors or other revenue sources; and
  - c) code to determine a value of compensation for the content provider by processing client impressions in relation to the advertiser-generated revenue pool.
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46. (Amended) Computer executable software code stored on a computer readable medium, comprising:

- 46
- a) code to associate advertisements with a functional host, content page, or to a known content provider topic;
  - b) code to serve an associated advertisement;
  - c) code to determine the number client impressions on a content provider's content;
  - d) code to determine a value of compensation for the content provider by processing client impressions in relation to an advertiser-generated revenue pool determined by a plurality of advertisers, sponsors or other revenue sources.

47. (Amended) A method comprising:

- a) embedding a functional host with control features;
  - b) associating [various] all [advertising] content from a plurality of content providers to the functional host; and
  - c) processing client impression data through the control features.
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50. (Amended) The method of claim 47, wherein the processing of client impression data occurs each time the client: (1) is delivered a content page from a content provider; (2) prints a content page from a content provider; (3) saves a content page from a content provider; (4) initiates a search from the content page; [or] and (5) transmits a content page and where varying values can be assigned to any such client impressions activity.

51. (Amended) A system comprising:

- a) a memory;
- b) a functional host, embedded with control features, stored in said memory;
- c) a processor disposed in communication with said memory, said processor configured to associate all [various] [advertising] content from a plurality of content providers within the functional host, transmit the functional host to a client, and process client impression data from the functional host.

AS

53. (Amended) The system of claim [51] 52, wherein the processor calculates the compensation value for a period by dividing the collected client impressions for a content provider by the total number of content impressions for all content providers and multiplying the result by the [into an] advertiser-based, sponsor-based or other revenue-based revenue pool.

54. (Amended) The system of claim 51, wherein the processor collects client impression data each time the client: (1) is delivered a content page from a content provider;

(2) prints a content page from a content provider; (3) saves a content page from a content provider; (4) initiates a search from a content page; [or] and (5) transmits a content page and where varying values can be assigned to any such client impression activity.

55. (Amended) A method comprising:

- A8  
Cont'd
- a) means for transmitting a host with a sponsor and control features;
  - b) embedding [a] the host with a sponsor and control features;
  - c) associating an advertising wheel with the sponsor;
  - d) [serving] displaying the host advertisements from the wheel targeted for the sponsor's advertising content; and
  - e) collecting [client] the client's impression data through the control features.

56. (Amended) The method of claim 55, wherein the collecting of client impression data occurs each time the client: (1) is delivered a content page from a content provider; (2) prints a content page from a content provider; (3) saves a content page from a content provider; (4) initiates a search from the content page; [or] and (5) transmits a content page from a content provider.

64. (Amended) A system comprising:

- A9
- a) a memory loaded with a web page;
  - b) a functional sponsor host, loaded in the web page; and

- A9  
Cont'd
- c) an advertising wheel, disposed in communication with the functional sponsor host, wherein client impressions are transmitted from the functional sponsor host in relation to the web page; wherein the client's impressions are used to determine content provider revenue from a revenue pool of a plurality of advertisers, sponsors or other revenue sources.

65. (Amended) The system of claim 64, wherein client impressions are transmitted each time the client: (1) views the web page; (2) prints the web page; (3) saves the web page; (4) initiates a search from the web page; [or] and (5) transmits the web page.

74. (Amended) A method comprising:

- A10
- a) transmitting a host from a sponsor to a client on a network, wherein the host has a face value and can be exchanged with other clients on the network;
- b) storing the host in a memory; and
- c) transmitting the host from the client to a remote location, wherein the host provides a discount on goods or services according to the face value.

75. (Amended) The method of claim [65] 74, wherein the host may vary in value while being stored in memory.

76. (Amended) The method of claim [66] 75, wherein the value may be an interest rate.

77. (Amended) The method of claim [66] 75, wherein the value may be a time value discount.

78. (Amended) A method comprising:

- A10  
Cont'd
- a) transmitting a host from a sponsor to a client on a network, wherein the host has a redemption value and can be exchanged with other clients on the network;
  - b) storing the host in a memory; and
  - c) transmitting the host from the client to a remote location, wherein the host provides a transactional medium, equal to the redemption value, for the client.

82. (Amended) A method comprising:

- A11
- a) transmitting a functional sponsor host to a client; and
  - b) configuring an advertisement wheel to be in communication with the functional sponsor host so that each advertisement transmitted to the client corresponds with the functional host.

85. (Amended) A method comprising:

- A12
- a) transmitting a functional host to a client;
  - b) transmitting at least one content page from at least one content provider, along with the functional host, to the client; and

- A12  
could
- c) receiving client impressions related to the at least one content page through the functional host to determine content provider revenue based on a revenue pool formed by contributions from a plurality of advertisers, sponsors or other revenue sources.--.
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**New claims 92-98 have been added.**